

Fiscal Note

Fiscal Services Division



SF 175 – School Categorical Supplemental State Aid - State Percent Growth FY 2017 (LSB1519SV)
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Fiscal Note Version – New

Description

Senate File 175 requires a 4.0% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2017.

Background

The State cost per pupil amounts in FY 2017 will depend on what is established for FY 2016. The table below assumes a 4.0% growth rate for FY 2016 that is included in **SF 172** (School Categorical Supplemental State Aid FY 2016). The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2016 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 4.0% State percent of growth for FY 2017. Additionally, FY 2017 will be the second year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System will be included in the school aid formula to provide funding to approximately two-thirds of the students statewide. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2017 based on **SF 172** and **SF 175**.

State Categorical Supplements	FY 2015 State Cost Per Pupil Amount	FY 2016 State Percent of Growth	Supplemental State Aid	FY 2016 State Cost Per Pupil	FY 2017 State Percent of Growth	Supplemental State Aid	FY 2017 State Cost Per Pupil
Teacher Salary - Districts	\$ 548.61	4.0%	\$ 21.94	\$ 570.55	4.0%	\$ 22.82	\$ 593.37
Professional Development - Districts	62.18	4.0%	2.49	64.67	4.0%	2.59	67.26
Early Intervention	67.68	4.0%	2.71	70.39	4.0%	2.82	73.21
Teacher Leadership	308.82	4.0%	12.35	321.17	4.0%	12.85	334.02
Teacher Salary - AEAs	28.71	4.0%	1.15	29.86	4.0%	1.19	31.05
Professional Development - AEAs	3.35	4.0%	0.13	3.48	4.0%	0.14	3.62

Additionally, there is a budget guarantee provision for each of the State categorical supplements that provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on Department of Education enrollment projections for FY 2017 and a 1.0% increase in special education weightings compared to FY 2016.

Fiscal Impact

The estimated total fiscal impact of **SF 175**, including the provisions in **SF 172**, will be a General Fund expenditure of \$479.8 million to fund the FY 2017 State categorical supplement amounts. This is an increase of \$71.7 million (17.6%) compared to estimated FY 2016. This estimate includes \$107.5 million for the teacher leadership supplement (TLS) for FY 2017.

The following table provides the detail of the funding levels for each of the State categorical supplements.

Estimated Funding Levels - SF 175				
Teacher Salary Supplement	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016 vs.
Unadjusted Amount - District	\$ 285,810,208	\$ 16,106,583	\$ 301,916,791	
Budget Guarantee Amount - District	689,610	27,573	717,183	
Total Amount - District	\$ 286,499,818	\$ 16,134,156	\$ 302,633,974	\$ 12,739,851
Professional Development	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016 vs.
Unadjusted Amount - District	\$ 32,403,932	\$ 1,883,200	\$ 34,287,132	
Budget Guarantee Amount - District	69,237	2,989	72,226	
Total Amount - District	\$ 32,473,169	\$ 1,886,189	\$ 34,359,358	\$ 1,449,556
Early Intervention Supplement	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016 vs.
Unadjusted Amount	\$ 35,270,733	NA	\$ 35,270,733	
Budget Guarantee Amount	71,454	NA	71,454	
Total Amount	\$ 35,342,187	NA	\$ 35,342,187	\$ 1,486,583
Teacher Leadership Supplement	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016 vs.
Unadjusted Amount	\$ 107,500,435	NA	\$ 107,500,435	
Budget Guarantee Amount	9,185	NA	9,185	
Total Amount	\$ 107,509,620	NA	\$ 107,509,620	\$ 56,002,521
All State Categorical Supplements	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016 vs.
Total Unadjusted Amount	\$ 460,985,308	\$ 17,989,783	\$ 478,975,091	
Total Budget Guarantee Amount	839,486	30,562	870,048	
Total State Categorical Supplement	\$ 461,824,794	\$ 18,020,345	\$ 479,845,139	\$ 71,678,511
Note: Contact the LSA for more information				

Sources

Iowa Department of Education, Certified Enrollment file and Enrollment Projections file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

February 10, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.